

**SMUD**

SACRAMENTO MUNICIPAL UTILITY DISTRICT

The Power To Do More.SM*P.O. Box 15830, Sacramento, CA 95852-1830; 1-888-742-SMUD (7683)*

November 10, 2006
ET&C 06-217

Western Area Power Administration
Desert Southwest Region
P.O. Box 6457
Phoenix, AZ 85005-6457
Attn: Deborah Emler

RE: In Support of Western's Position on EPACT 2005 PURPA Standard Revision

Dear Ms. Emler:

The Sacramento Municipal Utility District, as a Preference Power customer of Western's Area Power Administration, Sierra Nevada Region, writes this letter in support of Western's position taken in consideration of the applicability and implementation by Western of the Public Utility Regulatory Policies Act of 1978 (PURPA) standards, as recently revised. The enacted Energy Policy Act of 2005 (EPAct) made substantial changes and additions to the provisions of the PURPA. Western staff has analyzed several sections of EPAct of 2005 to determine their applicability to Western. Those sections are as follows:

- Net Metering, (Section 1251 (a) (11))
- Fuel Sources Standard, (Section 1251 (a) (12))
- Fossil Fuel Generation Efficiency Standard, (Section 1251 (a) (13))
- Smart Metering (with Time-Based Schedules), (Section 1252 (a) (14))
- Interconnection, (Section 1254 (a) (15))

SMUD reviewed Western's paper titled WESTERN AREA POWER ADMINISTRATION CONSIDERATION of IMPLEMENTING CERTAIN FEDERAL STANDARDS UNDER SECTIONS 1251, 1252, AND 1254 of the ENERGY POLICY ACT OF 2005, dated September 25, 2006. Western concluded that because it is not a retail utility, there is no need to implement these standards at this time. SMUD agrees with Western and supports Western in its contention that there is no need to implement these standards at this time.

Sincerely,

Gary Lawson

Acting Manager, Energy Trading & Contracts

cc: Tom Boyko, Western, SNR
Darren Buck, Western, SNR